Message

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Wall Street Journal

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EPA Chief Echoes Car Makers on Plan to Scrap Fuel Standards

By Timothy Puko, 4/3/18, 5:11 PM

WASHINGTON—Environmental Protection Agency Administrator Scott Pruitt said Tuesday that his plans for repealing Obama-era fuel economy standards are aimed at improving the efficiency of cars that people want to buy, embracing an argument manufacturers have made for years about easing the standards.

Mr. Pruitt is starting a process to redraft the rules that set how many miles cars and trucks can cover on a gallon of gasoline, announcing this week that his staff had determined rules completed in the waning weeks of the Obama administration were too strict. Consumers aren't buying as many electric and low-emission vehicles as the Obama administration had anticipated, making it unlikely auto makers will be able to lower the total tailpipe emissions enough to meet the rules, the EPA says.

"The focus in the past has been on making manufacturers...make cars that people aren't willing to buy," Mr. Pruitt said at an event at EPA headquarters Tuesday to announce the standards. "Our focus should be on making cars that people purchase actually more efficient."

The assessment echoes claims from the Alliance of Automobile Manufacturers and other industry trade groups, some of whom joined Mr. Pruitt at the event. Leaders of the National Automobile Dealers Association and the Association of Global Automakers spoke before and after Mr. Pruitt, with the alliance's president following them. Signs reading "CERTAINTY" and "JOBS" flanked the podium, and the crowd filled with people from interest groups including the Cato Institute and Competitive Enterprise Institute, some of whom also held similar signs.

The Obama EPA set the standards for vehicle model years 2022-2025 rising to roughly 36 mpg in real-world driving by 2025, based on complex government calculations averaged out over all vehicles sold. Sales of pickup trucks and sport-utility vehicles have soared in recent years after oil prices unexpectedly plummeted, now accounting for more than 60% of the U.S. market. That countered a trend toward a more-efficient fleet and pushed auto makers to argue that current standards are too high.

Electric vehicles, which have no tailpipe emissions, account for only about 1% of the market, though sales are growing. Electric-vehicles sales hit a record last year, climbing even as sales across the industry plateaued.

Several Senate Democrats noted Tuesday nearly all auto makers endorsed the Obama administration's lofty fuel economy targets when they were proposed and codified. They did so knowing a viability assessment, known as the midterm evaluation, loomed on the horizon well before the toughest standards would be enforced. The Democrats also warned the EPA its decision could fracture policy across the country by angering leaders in California who have a waiver to set their own rules and have already said they intend to stick with the higher standard.

"These weakened fuel economy emissions standards will force Americans to forgo many of the benefits of the originally agreed upon standards: consumers will pay more at the pump, the United States will import more oil, and the country will emit more greenhouse gases," said a statement from the group, which includes Sens. Edward Markey of Massachusetts and Dianne Feinstein of California.